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ABSTRACT

Designed to provide a better understanding of how Industry Training Advisory Bodies (ITABs) operate, a study showed whether current arrangements, incentives, and structures are conducive to ITABs always working in the best interests of their constituents: employers. Semi-structured interviews were conducted with chief executive officers (CEOs) of 23 state and national ITABs in 5 industry sectors: electrical and electronics, finance and business services, light manufacturing, hospitality and tourism, and retail and wholesale trade. Findings indicated the following: typically, ITABs had only a limited amount of direct contact with individual employers; most CEOs agreed employers were likely unaware of ITABs' operations but did not think that diverting resources to self-promotion would be a sensible use of resources; benefits were improved information advice and training outcomes, increased awareness about training, and enhanced industry voice; and problems were resource constraints, government demands, and inappropriate industry coverage. A telephone survey of 293 firms drawn from the telephone book assessed employers' perceptions of ITABs. Findings indicated reasonably high levels of awareness about ITABs and satisfaction with ITAB performance. The role firms expect ITABs to play was different from the role ITABs see themselves as having. The conclusion was that ITABs' dependency on governments for funds had created a situation where ITABs are more responsive to the demands of government than those of employers. (Appendixes contain 13 references, an interviewee list, and the survey instrument.) (YLB)

ED 434 268

The role of industry training advisory bodies

MARK WOODEN

RESEARCH ADVISORY COUNCIL

AUSTRALIAN NATIONAL TRAINING AUTHORITY

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The role of industry training advisory bodies

Monograph Series No. 2

MARK WOODEN

NTMRC

This project has been assisted by the Commonwealth Government, through the Research Advisory Council of the Australian National Training Authority

Australian National Training Authority

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The views expressed in this report, however, are those of the author, and should not be imputed as representing the views of any of the organisations or individuals mentioned above.

Acronyms

ABS	Australian Bureau of Statistics
ANTA	Australian National Training Authority
ANZSIC	Australian and New Zealand Standard Industrial Classification
CBT	Competency-based training
CEO	Chief executive officer
DEET	Department of Employment, Education and Training
DEETYA	Department of Employment, Education, Training and Youth Affairs
ESFC	Employment and Skills Formation Council
ITAB	Industry training advisory board
ITC	Industry training council
NTC	National Training Council
NTRA	National Training Reform Agenda
TAFE	Technical and Further Education
TCF	Textiles, clothing and footwear
VEETAC	Vocational Education, Employment and Training Advisory Council
VET	Vocational education and training

Executive Summary

- ITABs typically have only a limited amount of direct contact with individual employers. Instead, ITABs tend to work through representative structures, and especially industry/employer associations.

- Most ITAB CEOs were of the view that awareness among employers about ITAB activities was unlikely to be high. Views on whether this represents a problem for ITABs were more mixed, but it is concluded that the majority of ITABs do not believe that diverting resources to self-promotion would be a sensible use of those resources, especially given the limited amount of funding received.

- From the perspective of ITAB CEOs, the most significant obstacle to the ITABs achieving their objectives is inadequate resources. Other frequently-mentioned problems include: burdensome demands from governments; inappropriate industry coverage, in some cases arising out of imposed amalgamations; and problems with the training reform process (too complex and too much change).

- In contrast with the opinions of ITAB CEOs, employer-survey data reveal a reasonably high level of awareness about ITABs among employers. Thirty-seven per cent of respondents indicated that they recognised the name of the relevant ITAB in their State/Territory and industry sector, while 23 per cent indicated that they believed they knew what the functions and objectives of the ITAB were.

- Levels of awareness vary markedly across industry sectors. Awareness levels are, for example, very high in hospitality and tourism, but very low in both the finance and business services sector and the electrical and electronics sector. To a large extent, these differences reflect historical differences in the development and growth of ITABs.

- The employer-survey data also suggest a reasonably high level of satisfaction with ITAB performance. Most employers (77%) who claimed to have some knowledge of what ITABs do, were of the view that their ITAB was doing what they believed it should be doing. Further, when respondents were asked about their perception of the value of the ITAB to their industry, only a small proportion (8%) indicated that the

ITAB had had a negative impact. Most claimed the ITAB had either been good for the industry (55%) or had been neither good nor bad (37%). Finally, 40 per cent of respondents who were aware of the ITAB that represented them indicated that their organisation had directly benefited from the presence of an ITAB.

- Nevertheless, evidence was also uncovered which suggests that the role firms expect ITABs to play is different from the role ITABs see themselves as having. Most obviously, while there appears to be no dispute about the primary role of ITABs as a source of training advice, there is a clear difference in expectations concerning the direction in which that advice should flow. Industry expects the advice to flow down to employers; whereas ITAB management appears much more likely to regard the upward flow of information to government as more important, or at least as using up much more of their resources. There is also a clear expectation among a sizeable minority of employers that ITABs should be actively involved in training delivery, which is counter to current policy. There is also evidence to suggest that what firms value most highly is not so much the information and advice that ITABs provide, but rather the initiatives that lead more directly to improved training outcomes. The ITABs, on the other hand, are more likely to suggest that the information and advice role has the major benefit accruing to industry.

- Overall, it is concluded that the dependency of ITABs on governments for funds has created a situation where ITABs are more responsive to the demands of government than they are to the demands of employers. In many cases, this has been reinforced by the disparate nature of industry views on vocational education and training issues.

1 Introduction

Aims

The aims of this study were essentially to provide a better understanding of how ITABs operate. In particular, the study aimed to show whether current arrangements, incentives and structures are conducive to ITABs always working in the best interests of their constituents — that is: industry or, more specifically, employers.

Background

Industry Training Advisory Bodies (ITABs) have a relatively long history in the context of training policy formulation and implementation and, in theory, have important roles to play. One of their key roles is to provide a conduit through which employers' requirements of the vocational education and training system can be made known to vocational education and training (VET) providers (see Sweet 1993). The Allen Consulting Group, for example, in its influential report on reforming the VET system, described ITABs as potentially important in setting industry standards, planning input and in the quality assurance process (Allen Consulting 1994). They can drive industry skill standards in such a way that all firms within an industry can benefit, by having access to the equivalent of a stable and safe currency. They can also ensure that these standards are maintained. Indeed, even without government policy and regulation prodding and governing the formation of ITABs, it seems likely that in many industries ITABs would probably form naturally by dint of market forces, although their composition and activities may be quite different.

This said, there are on-going concerns about at least some ITABs and this is notwithstanding considerable efforts made to reform the national ITABs. In particular, the VET system's lack of responsiveness to industry needs and a lack of industry involvement in training reform remains a common complaint among employers and employer groups (Allen Consulting Group 1994, Mead 1995, Moran 1994, Sweet 1993). Further, it is often claimed that at least part of the explanation for this lack of responsiveness on the part of the VET system lies with the ineffectiveness of ITABs (see Sweet 1993, p. 21). In particular, it has been claimed that most ITABs have insufficient direct contact with employers and, as a result, are unlikely to

be in a good position to adequately fulfil their objectives. Terry Moran, Chief Executive Officer of ANTA, for example, in a speech to CEDA in 1994, pointed to the need for both greater senior industry representation on ITABs and for ITAB structures to be more representative of the industries they cover (cited in Mead 1995, p. 18). It has also been claimed (e.g. by the Minister for Schools, Vocational Education and Training; see Kemp 1996) that there is a widespread perception that ITABs were created to serve the needs of government rather than industry.

Nevertheless, and despite the endless round of reviews to which ITABs have been subjected, there has been very little serious research within the public arena which has attempted to provide an independent assessment of the roles and functioning of ITABs. This is the main aim of this report.

It should be noted, however, that the study has been deliberately shaped with an emphasis on the benefits that ITABs bring to industry and, more specifically, to employers. Thus the study is based on the assumption that ultimately it is employers whom ITABs were meant to serve.

Research Method

The project was structured into two discrete components. The first part of the project revolved around a series of semi-structured interviews conducted with the chief executive officers (CEOs) of a sample of ITABs. The interviews were designed to collect information on the objectives of ITABs, operating arrangements, and problems and constraints those ITABs faced in achieving their objectives. Due to resource constraints, the interview sample was restricted to five randomly chosen industry sectors — electrical and electronics; finance and business services; hospitality and tourism; light manufacturing; and retail and wholesale trade.

The second part of the project was concerned with obtaining an assessment of employers' perceptions of ITABs, including their awareness and the opinions of their functions and activities. The main research vehicle used was a telephone survey of a stratified sample of firms drawn from the Telstra Yellow Pages. The two components of the project are directly connected by restricting the employer sample to the same five industry groups mentioned above.

What are ITABs?

ITABs are autonomous industry bodies which are recognised by governments as the major source of advice from industry on training matters. Typically, they are incorporated bodies employing their own staff, with membership representing employers and employees within the industry.[1] Moreover, each ITAB should be structured in such a way as to be reasonably representative of the industry it purports to represent.

ITABs exist at both national and State levels. As agreed by the ANTA/VEETAC Working Party on the National ITAB Network (1993, pp. 2-3), "the key function of ITABs at the national level is to develop a national strategic plan for training within their industry". The types of activities that this broad function is seen to encompass include:

- to consult with State ITABs and provide a national co-ordinating focus for their industry network;
- to advise on education and training needs, training policy, resourcing requirements and priorities for funding allocation within their industry;
- to develop and maintain competency standards, incorporating cross-industry standards, for their industry and to facilitate the recognition of education and training conducted in accordance with those standards;
- to develop, implement and promote training reform and suggest to ANTA industry training initiatives relevant to their industry, including the identification and promotion of appropriate strategies for implementation of CBT [competency-based training] arrangements within their industry;
- to review relevant aspects of the training system for their industry and advise ANTA on ways to improve efficiency and reduce duplication;
- to advise ANTA on projected changes in industry to enable advice to ministers on the allocation of growth funds;
- to provide input to national research and development strategies relevant to their industry coverage;
- to provide input that reflects the views of their industry, to reviews on policy issues that impact on their industry;

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[1] Note that the expression ITAB is used in a generic sense throughout much of this report. In practice, the various ITABs adopt a wide range of different titles which may or may not make direct reference to the training advice function.

- to examine the implications of the AVC [Australian Vocational Certificate] System, report to ANTA on the implementation of pilots and be responsible for the development of plans for the implementation of the AVC within their industry, subject to agreement of ministers to proceed;

- to provide advice on industry needs in growth and balance of effort across schools, training and higher education sectors; and

- to collect, evaluate and disseminate to their industry data and information on education and training needs and resources.

At the State/Territory level, however, the functions of ITABs are expected to be both different and more diverse. In the view of the ANTA/VEETAC Working Party on the National ITAB Network (1993, pp. 4), the key functions of such ITABs are to:

- contribute to the development of the national strategic plan for training within their industry;

- develop, against the background of the national strategic plan for training within their industry, plans for the implementation of vocational education and training relevant to their industry's training needs in the State and contribute to State training profiles and plans;

- provide advice to their State training agencies on policy, planning, delivery and resource allocation issues, and the respective roles of public and private providers;

- play a major role in accreditation and recognition processes in accordance with the National Framework for the Recognition of Training;

- work with public and private providers in the development of training programs;

- provide policy advice to industry and government on the training needs of their industry; and

- provide advice to relevant national ITABs to assist them in carrying out their roles and functions.

In summary, and partly following Collins (1995, p. 24), the major functions of ITABs can be described as fourfold:

(i) analysing and responding to the changing training requirements of industry;
(ii) provision of advice to government about industry training requirements and concerns;

(iii) providing a unified single industry voice on training issues; and

(iv) promoting training reform and the benefits it brings to industry.

Report Structure

The report consists of five chapters. Following this introduction, and by way of background, a brief history of ITABs is provided. Chapter 3 then reports results of the interviews with the CEOs from the selected ITABs. Chapter 4 moves on to a presentation of results from the telephone survey of employers. A conclusion completes the report.

2 A Brief History of ITABs[2]

Prior to the early 1970s, the only vehicles for industry involvement in structured training were the various trade advisory committees that existed at the State level. The predominant, if not sole, concern of these committees, however, was with apprentice training. In 1971, at a national conference on training in industry and commerce, it was agreed by most parties that the involvement of both industry and government in industry training needed to be broadened. It was further agreed that an industry-by-industry approach was needed. To facilitate this new approach to training, the National Training Council (NTC) was created. One of the functions of the NTC was overseeing the creation of industry-specific industry training committees or councils (ITCs).

The early 1970s thus saw, with the assistance of modest subsidies from the Commonwealth Government, the gradual emergence of a small number of ITCs. The main purpose of these subsidies was to assist the respective ITCs to employ a staff member — a chief executive officer of sorts; described at the time, in politically incorrect terms, as a manpower development executive. In the mid-1970s, the level of subsidies on offer was gradually expanded to enable these ITCs to become directly involved in the provision of training.

One problem that emerged as the network grew was the co-existence at the State level of ITABs and apprenticeship advisory councils. This meant unnecessary duplication and also created a fair degree of confusion. In recognition of the fact that only one authoritative source of training advice within each industry was deemed necessary, a process of rationalisation began. This saw the old apprentice advisory committees merged with, or replaced by, new State-based ITABs. This process was essentially complete by the early 1980s.

While the network has undergone numerous reviews over its history (into, for example, representativeness, coverage, efficiency, and funding arrangements), the conceptual structure remained little changed. Indeed, the system has grown and has consistently attracted increased government funding over the years, irrespective of which government was in power. There have, however, been a number of significant changes in the way ITABs operate. First, and arguably of greatest importance, ITABs have been forced to retreat from the provider role. While ITCs were initially established with the objective of providing training

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2 This section draws heavily on ESFC (1990, Chapter 3), Collins (1995, Chapter 1) and conversations with former DEET staff members who worked with the ITAB network.

advice, during the latter half of the 1970s they gradually took on the role of direct training provider. Despite the enormous potential for conflict of interest, this process was encouraged by government and gradually intensified during the 1980s. Following a DEET review of Commonwealth funding arrangements for ITCs in 1988-89, however, the Commonwealth subsidies for provision of training were removed. Government now asked the ITCs to divorce themselves from any direct provision role and to concentrate instead on playing a broader role as the broker between provider and user. This role was reaffirmed by the ANTA/VEETAC Working Party on the National ITAB Network (1993, p. 6) which, as noted earlier, agreed that: "the key function of ITABs at the national level is to develop a national strategic plan for training within their industry". Similar statements of intent have been made by the various State government training agencies in relation to the operation of State ITABs.

The second significant change concerned the role of the key Commonwealth government agency, the Department of Employment, Education and Training, or DEET (now DEETYA). DEET, through its representation on the various ITABs, exerted a major influence on the direction the ITABs took. Indeed, it is probably not unfair to say that often it was the DEET member (in combination with the ITAB chief executive officer), who determined how effectively these boards functioned. However, the creation of ANTA in 1993 had a dramatic affect on the influence of DEET individual officers. ANTA placed much more emphasis on industry being responsible for its own destiny. As a result, the level of resources DEET was asked to devote to ITABs was severely curtailed. By 1996, while DEET staff still sat on the boards of the national ITABs (though typically not the State-level boards), their influence was far less pivotal.

The third major change relates to the structure and coverage of the ITAB network. The product of an ad hoc process, by the early 1990s there were some 176 different industry bodies which had a training advisory role (ANTA/VEETAC Working Party on the National ITAB Network 1993, p. 7). Needless to say, this structure implied duplication and overlapping roles. Further, despite the proliferation of training bodies, significant gaps in industry coverage remained. Recent years, however, have seen a number of important steps being taken towards simultaneously streamlining, yet extending the coverage of, the system. Most obvious, and as a result of Report of the ANTA/VEETAC Working Party on the National ITAB Network (1993), the national ITAB structure has been reconfigured and now provides 18 ITABs with coverage of all the major industry sectors. Further, the States are being encouraged to reconfigure State ITABs along similar lines. Even though complete matching between State and national ITAB structures now appears unlikely, 1995 and 1996 have seen a significant rationalisation in the number of State ITABs. That said, it is true that

the creation in 1993 of NETTFORCE companies for the purpose of marketing traineeships would appear to have worked against rationalisation objectives to some extent, given that the functions of these NETTFORCE companies might easily have resided with ITABs (and, in some cases, they do).

Fourth, in recent years government demands on ITABs have intensified. This is reflected in requirements outlined in the operating agreements which each ITAB must sign with both ANTA and the relevant State training authority, in order to receive government funding. Key elements of these agreements include the requirement for medium-term strategic plans, annual operation plans and the development of key performance measures.

Finally, the increased prominence of training reform as part of federal government policy since about 1987 has meant a much enhanced role for ITABs. Most obviously, and as Collins (1995, p. 24) has observed, the adoption in 1989 of a competency-based approach to training with national standards gave ITABs a key role in the development of such standards. It has also provided the potential for ITABs to become involved in the accreditation and registration of courses and training providers. Further, the complexity of the reforms introduced also gave ITABs a key role in explaining to industry what those reforms might mean for business.

3 The ITAB Perspective

Research Method

This chapter is primarily concerned with the views of the ITABs, and is based on information collected during semi-structured interviews with the chief executive officers (CEOs) from a number of State and national ITABs. Due to resource constraints, it was impossible to interview representatives from all existing ITABs. Instead, five industry sectors were randomly chosen, and representatives from five ITABs within that industry network selected for interview (the CEO of the most relevant national ITAB and the CEOs from four State ITABs).[3]

The five industry sectors initially chosen were: electrical and electronics; finance and business services; food processing; hospitality and tourism; and retail and wholesale trade. The National Food Industry Training Council, however, expressed misgivings about the study and indicated their unwillingness to co-operate. They also instructed their State-based counterparts not to co-operate.[4] In light of this, the food processing industry was replaced with light manufacturing.

In total, interviews were completed with the CEOs of 20 State-based ITABs and three national ITABs.[5] All interviews followed a semi-structured format, and covered the following issues:

(i) industry coverage;
(ii) ITAB history;
(iii) funding arrangements;
(iv) objectives;

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3 A complete list of the ITABs participating in the study and the person interviewed is provided in Appendix A.

4 The National Food Industry Training Council indicated that they were concerned with: (i) the timing of the study, given ANTA was currently consulting with industry about the future role and structure of the Council; and (ii) the applicability of any inferences that might be drawn from a sample of just 60 workplaces given there were in excess of 4500 enterprises operating within the industry.

5 The CEO of the national Utilities Industry Training Advisory Body declined to be interviewed, while it proved impossible to arrange a time for interview with the CEO of the National Retail and Wholesale Industry Training Council within the time parameters established for this study.

(v) identification of industry training needs;
(vi) the role of the ITAB in fostering improved training delivery;
(vii) direct service provision by the ITAB;
(viii) relationships with other ITABs;
(ix) industry awareness of the ITAB; and
(x) obstacles hindering ITAB effectiveness.

A copy of the interview schedule used for the State-based ITABs is attached as Appendix B. Reflecting their different role, a slightly different schedule was used when interviewing CEOs from the national ITABs.

While the schedule comprises a series of highly-structured questions, the semi-structured method allowed the interviewer to digress from the schedule to follow-up on interesting issues, skip questions and topics where appropriate, and re-order the topics during the interview.

With the exception of the three interviews conducted in South Australia, all interviews were conducted by telephone. While direct face-to-face contact would have been preferred, it was not feasible due to resource constraints.

Due to the fact that this study's main concern is with the role of ITABs in delivering services to industry, most attention will be focussed on the role and activities of State ITABs. National ITABs are, by definition, focussed on strategic-level policy matters, and hence will have less direct contact with employers.

Background to the Chosen ITABs / Industry Sectors

Electrical and Electronics

An electrical and electronics industry is difficult to define, largely because electrical and electronics skills are used in a wide range of industries. It is thus perhaps more appropriate to think in terms of electrical and electronics occupations rather than industries. This, for example, would be consistent with the coverage of the former National Electrical and Electronic Industry Training Committee, which had occupational coverage of electrical and electronics skills as well as coverage of the electricity supply industry (ANZSIC group 361).

Based on 1991 Census data, this coverage represents around 3.5 per cent of the total workforce.[6] Partly because of the relatively small size of this sector, the ITABs that exist in this so-called industry have been reconfigured with the significant addition, in most cases, of the other major public utilities (i.e. gas and water supply).

Industry coverage, however, is hardly uniform across the States. As part of this study, CEOs from the relevant ITABs in New South Wales, Victoria, Western Australia and South Australia were interviewed. In no two cases was coverage alike. New South Wales has the coverage which is perhaps most in line with what ANTA had envisaged, with coverage of electricity, gas and water supply, plus electrical and electronics skills. In Victoria, on the other hand, the current ITAB was the result of the amalgamation of the former electrical/electronics ITAB and the printing ITAB, thus giving it coverage of the printing industry. In addition, it has coverage of communication, but not of gas and water supply, and of information technology industries. As its name implies, printing is also within the coverage of the Utilities, Electrotechnology and Printing Industry Training Council in Western Australia. In addition, it also has coverage of both telecommunication and postal services, as well as information technology. Finally, the recently renamed Electrical, Electrotechnology, Energy and Water Training Board in South Australia has coverage of utilities, including telecommunications, electrical and electronics skills and information technology. Interestingly, coverage of the latter was only assumed after the SA Printing ITAB refused to accept coverage of this industry sector.

The State ITABs thus typically have to respond to two national ITABs — the national Utilities ITAB, as well as the national Telecommunications, Postal Services, Information Technology and Printing ITAB.

With the exception of the ITAB operating in New South Wales, the State-based ITABs can all trace their roots back to structures formed in the early or mid-1980s.[7] In all cases, however, these antecedent versions were much more narrowly focussed on electrical and electronic skills. Furthermore, the expansion in coverage has been a relatively recent phenomenon. The current board in Victoria, for example, was only incorporated in early 1996. Similarly, the ITAB that operates in Western Australia arose out of amalgamations that only took place in 1995.

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6 Calculated as the number of electrical and electronic engineers, electrical and electronic engineering technicians and electrical and electronic tradespersons, as well as any other persons employed in the electricity supply industry, divided by total employment.

7 The NSW Utilities and Electrotechnology Industry Training Advisory Body, which was only established in April 1996, actually co-exists with the NSW Electrical and Electronics Industry Training Committee, though the latter is no longer in receipt of operating grants from government.

Finance and Business Services

An ITAB presence in this industry sector is relatively new. Indeed, the relevant national ITAB — the Finance and Administration Industry Training Advisory Body — was only incorporated in September 1995.[8] The ITAB has coverage of all activities falling into ANZSIC subdivisions 73 (finance), 74 (insurance), 75 (services to finance and insurance) and 78 (business services), as well as lead agency role for the clerical and administration occupations. This very broad coverage represents in excess of a quarter of the total workforce.[9]

The industry coverage of the various State ITABs is, however, far from uniform. Many of the State ITABs, for example, also have coverage of property services (ANZSIC subdivision 77) which, at the national level, is the responsibility of Property Services Training Australia. Some State ITABs also have a coverage for a range of services which in the ANZSIC system fall under the personal services category (e.g. gardening services, security services, and professional associations), while at least one State ITAB (Queensland) has coverage of small business managers. In still other States, the relevant ITAB has its antecedents in the former local government ITAB (e.g. in Tasmania) and, as a result, coverage extends to include government administration, police and fire services. Finally, in one State — South Australia — there is no relevant ITAB for this industry.

The State ITABs that were selected for the study come from Victoria, Queensland, Western Australia and Tasmania. Like the national body, these State-based ITABs all have relatively short histories, two being established in 1991, one in 1994 and the other in 1995.

Hospitality and Tourism

Hospitality and tourism is another industry grouping which is somewhat difficult to define on the basis of ANZSIC system. Hospitality poses no problems, since most employers in this sector fall within what the Australian Bureau of Statistics defines as accommodation, cafes and restaurants. In August 1996, this sector accounted for 4.5 per cent of total employment.

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8 A competency standard body — Insurance Training Australia — did exist in the insurance industry. By the end of 1996, however, the functions of Insurance Training Australia will reside with the Finance and Administration ITAB.

9 The finance and business services ANZSIC subdivisions accounted for 12.2 per cent of total employment in August 1996. Our best estimate is that clerks and administrative workers in other industries would account for a further 14 per cent.

The tourism side of the industry comprises a wide range of activities including: travel agencies; airlines; tour coaches; cruise ships; tour operators and guides; theme parks; casinos; festivals; conventions; and other major attractions. Identifying the extent of employment in these activities is much more difficult, especially given that some of the activities do not exclusively service tourism (e.g. airlines). Estimates produced by DEET for Tourism Training Australia, however, suggest that in total, employment in hospitality and tourism accounts for between 6.5 and 7 per cent of total employment.

Unlike ITABs in other industry sectors, the existing ITABs for hospitality and tourism all have the same industry coverage. The structure and coverage of this ITAB network has remained essentially unchanged since their inception (typically in the mid-1980s).

The State-based ITABs from this sector that participated in the study were deliberately chosen from tourism-intensive States — namely, New South Wales, Queensland, Tasmania and the Northern Territory.

Light Manufacturing

Unlike the other industry groupings considered in this study, light manufacturing is not a grouping with which employers and/or industry associations readily identify. Instead, it is a product of the process instigated by ANTA in the early 1990s aimed at reducing the number of ITABs and consolidating the ITAB network. The final report of the Review of National ITAB Boundaries, for example, concluded that:

> the substantial similarities between the activities in the Furnishing and the Textile, Clothing and Footwear sectors are sufficient to enable a productive grouping to be formed (Siganto 1994, p. 50).

As a result, the National Furnishing Industry Training Council and the Australian Textiles Clothing and Footwear Industry Training Council were merged to form the Australian Light Manufacturing Industry Training Advisory Body in 1995. Similar amalgamations took place at the State level although, again, this process was not uniform.

Light manufacturing will thus be used in this study to refer to the combination of the furnishings industry (mainly furniture and soft furnishings) and the textiles, clothing and footwear (TCF) industry. In terms of ANZSIC categories, these industries are comprised mainly of textile, clothing, footwear and leather manufacturing (ANZSIC subdivision 22), and furniture manufacturing (ANZSIC group 292). However, the coverage of the national

ITAB also includes musical instrument manufacture and repair (part of class 2949), laundries and dry cleaning (class 9521), and some activities within the construction division — namely, installation of floor coverings (class 4243) and window glazing (class 4245). Based on 1991 Census data, our best estimate is that this grouping represents around three per cent of the total workforce.[10]

The State-based ITABs that were involved in this study come from Victoria, Western Australia, South Australia and Tasmania. In all cases, the current ITABs were the result of recent amalgamations between at least two long-established ITABs. As noted above, however, coverage is not consistent across the States. In Victoria, for example, the coverage of the relevant ITAB extends to include forestry products, while in Tasmania coverage includes plastics and rubber products manufacturing.

Retail and Wholesale Trade

ITABs within this industry sector have a fairly well-defined industry coverage, which takes in all wholesale and retail trade operations (except automotive wholesale and retail trade), plus some selected personal services (e.g. video hire, hairdressing and beauty salons, funeral directors, domestic cleaning, and gardening services). Again, there are some variations across the States. A large industry sector, as at August 1996, it employed almost 1.5 million workers, or between 17 and 18 per cent of the total workforce.

The State ITABs that were selected to participate in the study come from New South Wales, Queensland, South Australia and the ACT. The New South Wales and South Australian ITABs began operations in the early 1980s, with a focus on retail trade. Coverage was subsequently expanded to include wholesale trade and then associated personal services. The Queensland and ACT ITABs have much shorter histories, commencing operations in 1993 and 1989 respectively.

Objectives and Functions

All of the ITAB CEOs were asked to summarise what they perceived to be the main objectives and functions of their ITAB. A common response was that the objectives were largely as set out in legislation or in their operating agreement with ANTA. About 19 of the 23 CEOs interviewed could be assessed as responding in this way, with some claiming that

[10] This figure does not take into account the likely under-enumeration of many outworkers in the TCF industry.

the ITAB objectives were "driven by the agreements". One respondent even claimed that, as a result of the operating agreements, every ITAB has "got the same objectives".

At least two of these CEOs (from different industry sectors) responded that the main priority or core activity of the ITAB was the development of an industry training plan. To quote one of these respondents:

> It's very much a training advisory role — providing advice to the State Training Board and the Department of Training about industry training needs. We don't get into anything else very much. Our priority function is the development of an industry training plan.

Furthermore, both indicated that industry was happy with this role, since industry was the major source of input into those plans. Neither expressed any concern that employers might prefer to see other objectives accorded a higher priority.

In contrast, another two respondents indicated that the objectives of the ITAB, as laid out in the annual performance agreement, required the ITAB to respond mainly to demands from above (ANTA and State Government), rather than serving the needs of industry. They believed that industry "would prefer something more tangible". They indicated, however, that they did not have the capacity to do anything else.

Very differently, about eight responses could be interpreted as indicating that while the ITAB objectives mirrored the content of the operating agreements, the agreements are sufficiently broad to encompass all of the major industry concerns. Moreover, it is those industry concerns which are assigned highest priority by the ITAB. As one respondent from the retail and wholesale trade sector put it:

> While our objectives are driven by the ANTA and State Government performance agreements, it all comes back to what industry wants us to do.

Finally, there were four respondents who effectively claimed that the operating agreements were incidental to the ITAB operations. They described their ITAB's approach to the determination of objectives as putting industry objectives first, contractual obligations second. For example, one respondent remarked that:

> ... we have been appointed as an advisor to government. But in order to advise, we have to know what's in our industry. In order to know what's in our industry, we must be servicing our industry.

On balance, it would seem that ANTA and the State Governments have been central in determining the balance of activities undertaken by most ITABs. However, a significant minority of ITABs appear to be aware that this may not always be in line with industry preferences. Such views appear to be especially more likely among those CEOs who have been involved in the ITAB network over an extensive length of time.

In terms of what ITABs see as their most important functions, there appears to be widespread agreement that their major function is the provision of advice to government on industry training needs and priorities. Opinion on what else is of importance is much more diverse, but also frequently mentioned (by the State-based ITABs at least) were promotion of training and training reform to industry; and facilitating accreditation, assessment and recognition processes. Interestingly, relatively few indicated, unprompted, that facilitating improved training delivery was a major objective of their ITAB. However, as discussed below, the majority of ITABs did describe the brokerage role between industry and provider as one of their more significant activities.

Consultative Mechanisms

Consultation with industry is paramount to the functions of ITABs, given that their most important function is providing advice on industry training needs and priorities. Clearly, the quality of such advice will be very dependent on the quality of information obtained.

Most ITABs indicated that they used a variety of mechanisms for obtaining such information, including surveys, secondary data, industry forums, consultations with industry associations and direct contact with employers. However, most ITABs also indicated that they relied most heavily on their own internal representative structures. A number of ITABs, for example, had established an extensive array of sector-specific committees, and it was the advice received from the industry representatives on these committees that appears to have most influence.

Many respondents pointed to the need to make direct contact with individual employers.

> The degree to which we are able to obtain accurate information is very much dependent ... on the degree of personal contact we are able to generate.

In practice, however, resource constraints and the size of industry coverage involved mean ITABs are limited in their ability to make contacts with more than a handful of employers. As a result, ITABs often have to make do with either surveys (typically involving small samples) or industry forums and seminars as their main means for interacting directly with

individual employers. Surveys, however, typically attract poor response, while industry forums and the like have poor penetration and generally attract the same people.

Very differently, some respondents questioned the wisdom of relying on individual employers for information on training needs.

> They keep saying we should respond to industry needs. The assumption in that sentence is industry knows what its needs are.

These respondents believe that the objective of ITABs in dealing directly with employers should be to assist firms in identifying what their training needs are.

Ultimately, it is difficult to avoid the conclusion that the views of ITABs are likely to be shaped by a small number of key players within each industry. The question that then arises is: how representative are the views of these key players? One might, for example, express concern about the tendency for ITAB structures to be dominated by 'industry bureaucrats', rather than persons actually employed by enterprises operating in the industry.

Involvement in Training Delivery

As noted earlier, ITABs have been effectively forced by government to pull back from involvement in direct training provision. Nevertheless, all ITABs indicated that they were in a position to exercise considerable influence over the nature of training delivery within their industry. The main avenues through which the CEOs claim ITABs exercise such influence are:

(i) working with training providers;
(ii) promotion and development of traineeships;
(iii) involvement in accreditation and registration processes; and
(iv) at the national level, development of national curriculum.

The large majority of CEOs indicated that working with training providers, particularly with a view to letting providers know what industries want and need from training, was a major part of their activity. Indeed, many cited the gradual shift in the nature of training provision — especially by the TAFE system — towards greater emphasis on industry needs, as being one of the major successes of the ITAB networks in recent years.

Many ITABs also indicated that they had a role in the promotion of traineeships, although the nature of experiences with traineeships was highly variable across industry sectors. In the finance and business services sector, for example, the penetration of traineeships has been extremely limited. According to one respondent, "historical and cultural factors will work against any rapid uptake of traineeships" in this sector. Similarly, in the furnishings industry, the traditional dominance of apprenticeships has worked against the development of traineeships.

The involvement of ITABs in traineeships was also clearly dependent on the presence of, and strength of relationships with, NETTFORCE companies. Without NETTFORCE funding, involvement in traineeships was usually negligible. The presence of NETTFORCE companies, however, does not guarantee a significant role for ITABs — there must first be communication and co-operation between the two. In a small number of instances, for example, communication between the ITAB and the NETTFORCE company was non-existent. However, more often than not, the relationships between NETTFORCE and the ITAB network appear to have been extremely healthy. Nevertheless, most ITABs were hopeful that in the future any government funding for marketing traineeships might be directed towards them rather than some other separate entity. "A lot of the development and marketing is done through the ITABs anyway."[11]

The third area where the majority of ITABs claim that they have influenced training delivery has been through involvement in accreditation and registration processes. This, it is argued, provides industry with an important means by which to shape the nature of training being delivered to workers and potential workers in that industry. The amount of influence that industry is able to exert through this channel, however, does vary across the States, although most States have mechanisms in place which allow ITABs a significant role. In Victoria, for example, the ITABs are very important, with all courses accredited within the State training system requiring the endorsement of the appropriate ITAB.[12] The position is similar in Queensland and Western Australia, although in Western Australia it is possible (but rare) for private providers (but not public providers) to by-pass industry accreditation processes. New South Wales also provides a mechanism by which all courses accredited as meeting Australian Qualifications Framework Levels 1 to 4 must be endorsed by the relevant ITAB as having had industry involvement in design. Further, New South Wales actually delegates accreditation and registration powers to external organisations including ITABs. Such organisations pay a fee to VEETAB (the relevant body responsible for course accreditation

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11 This is, in effect, the way NETTFORCE funding has worked in both retail trade and hospitality and tourism, with the relevant national ITABs also being the home of the relevant NETTFORCE companies.

12 Unless there is no obvious ITAB coverage for the course in question.

and provider registration in New South Wales), but then are able to collect accreditation and registration fees. Perhaps surprisingly, only a minority of ITABs in New South Wales have availed themselves of this opportunity.

In South Australia, on the other hand, the relevant State authority (the Accreditation and Registration Council) has assumed more responsibility for accreditation processes, with the role of ITABs being reduced to representation on reference panels. Similarly, in Tasmania, the ITABs typically have only a limited advisory role.[13]

Opinions concerning the fourth area of involvement — through development of national curriculum and courses — are much more variable across the ITABs. In particular, while all State ITABs indicated they had responsibilities in this area, the extent of involvement appears to differ markedly. Some ITABs, for example, indicated that they are consulted by their national ITAB, but expressed doubts over whether their views carried any weight. On the other hand, others indicated that their main role in this area was to bring to the attention of employers and providers the range of programs and courses on the national register that could be adopted in their particular State.

Finally, it is worth noting that while most ITABs appear to be satisfied with a role which has no direct involvement in training, a small minority of CEOs did indicate that they and their industry were uncomfortable with this position. One respondent, for example, claimed that industry had expectations that the ITAB would be involved in training. As he put it: "because we have got a name ... with training in it, they [industry] expect us to be involved in it". He pointed in particular to the unmet demand for the delivery of training courses in response to short-term needs. Yet another respondent argued that the lack of any direct involvement in training provision had made it more difficult to market the ITAB to industry. Relatedly, another CEO pointed to the stronger links between industry and the ITAB that ITAB involvement in training facilitated. Further, he noted that the inability to provide training services removed a potentially important source of income, thus making ITABs very dependent on governments for financial support.

Service Provision

Provision of services directly to industry, other than basic information and advice, is not something in which most ITABs are much involved. When asked about services provided

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[13] In hospitality and tourism dual accreditation processes operate. That is, separate systems are operated by industry and the State Government.

directly to industry, many talked about their role as "one-stop shops" where firms could come to get advice about appropriate training courses, programs and resources. Very few referred to fee-for-service activities without being prompted.

Most ITABs did indicate that occasional consultancy work is undertaken, although more often than not, such services were not charged for. Moreover, in most cases consultancy work is very much a minor part of the ITAB's activity. Indeed, one respondent indicated that her Board discouraged consultancy work. She suggested that this stance reflected the dominance of industry association representatives on her Board, who saw ITAB involvement in consulting work as a source of competition for their own organisation's consulting activities.

Only in hospitality and tourism does there appear to be any history of generating significant income from service activities; mainly through provider recognition and course accreditation services, consultancy services and sales of training resources.

Attitudes towards income-generating activities were mixed. CEOs of some ITABs recognised the potential for revenue-raising activities and indicated that they were looking to develop products and services that could be sold to industry. The CEOs with these views, however, were in the minority, with the majority indicating that it was unlikely that they would ever "get much into fee-for-service type activities". The typical rationale for this position was that such activities do not sit with the Board's priorities. One respondent, for example, argued that fee-for-service activities would "interfere with what we see as our prime role ... arguing a better case for industry". The response to this view, however, is that it ignores the potential for cross-subsidisation of 'core-business' activities by fee-for-service activities. Still others suggested that, as with involvement in direct training provision, any involvement of the ITAB in fee-for-service activities creates the potential for conflict of interest.

The ITAB Network

The majority of ITAB CEOs were fairly happy with the way the ITAB network within their industry worked. Most CEOs indicated that there was extensive dialogue between ITABs, and that the various ITABs often entered into co-operative arrangements and ventures.

Some of the CEOs from the State ITABs, however, were critical of relationships with the relevant national ITABs, and especially the style of management adopted by the national ITABs.

> We have a national ITAB that operates very much in a top-down management style, and we see that as being at odds with the best interests of the industry, and we see that as being at odds with establishing a viable collaborative network.

Another respondent described the national ITAB as being:

> ... a law unto themselves, driven by a national focus ... They need to be more accountable to the States.

One respondent even went so far as to describe the national ITAB as "a waste of space" and as "getting in my way". In her opinion, the national ITAB was driven by the concerns of bureaucrats rather than the concerns of industry. She also pointed to the prevalence of a top-downwards management style.

At the other end of the spectrum, some CEOs of national ITABs were critical of the State organisations for being too independent and not sufficiently beholden to the national body. Even one State ITAB CEO took this view, arguing that State ITABs should be less independent and more integrated into a national network. This, he argued, would provide for a more co-ordinated approach to training policy and delivery.

In general, however, most State ITABs valued their ability to act independently of their national organisation.

A number of CEOs also pointed to problems arising out of differences in the coverage of the various ITABs within the network. Some State ITABs, for example, might have to deal with up to three different national bodies (e.g. in the electrical and electronics sector), which typically means more time spent in meetings and responding to requests.

Industry Awareness

Most ITAB CEOs agreed that it was unlikely that there would be a great level of awareness about the ITAB's operations among employers in their industry. Indeed, only four of the 20 respondents from State ITABs indicated that there was even a moderate degree of awareness about the ITAB among employers. Three of these respondents were from ITABs located in either Tasmania or the two Territories, where reaching industry is likely to be easier because of the smaller numbers of employers involved.

Typical of the range of comments made were the following:

> ... industry in general doesn't really know what the role of an ITAB is — but then I'm not sure anyone does.
>
> I don't think they [employers] have a very clear understanding of the role of the ITABs. I don't think they have a very clear understanding of why there is a national ITAB and why there are State ITABs and what the separation of roles are.
>
> They know we're there, but they really don't know what we do.
>
> [Most firms have] a low level of knowledge about not only ITABs, but about the training agenda in total.
>
> If 20 per cent of all employers know of our existence I'd be surprised. I'd say probably nearer 10 per cent have heard of us. And of those ten, maybe half of them wouldn't have a clue what we are anyway.
>
> There is no doubt that the very vast majority of them [enterprises] will never have heard of us.

The main reason cited for the low level of awareness was lack of resources — ITABs simply do not have the money or the people to market themselves properly. Other reasons cited include:

(i) the predominance of small business, given that small business tends to show a general lack of interest in employee training (see Baker & Wooden 1996, Wooden 1996);
(ii) age of the ITAB, in the case of the newer ITABs;
(iii) changes in industry coverage and ITAB name, which have had the effect of diluting any brand name effect;
(iv) the focus of ITABs on strategic-level issues, which both militates against extensive contact with individual employers and will typically be of less interest to individual firms who tend to be interested in more "tangible outcomes";
(v) the large numbers of employers within the ITAB's coverage; and
(vi) partly as a result of (v), the tendency for many ITABs to work through industry associations, rather than directly through individual employers.

Responses on whether low industry awareness makes any difference were more mixed, with five respondents indicating it made no difference at all, eight indicating that it was not all that important but a higher level of awareness would make their job easier, and seven indicating that low levels of awareness were a significant problem.

A common explanation was given for why raising awareness among employers about the ITAB was at least of some importance. This was that in order for the ITAB to be able to provide advice to those most in need, the firms in need must know who to approach. Further, more direct contact between the ITAB and industry is argued to facilitate more effective information gathering. In addition, a number of CEOs were of the view that "selling the training message" would be easier if employers knew of the ITAB.

In contrast, those who argued that employer awareness was not critical, argued that such awareness was not essential in order to determine the needs of industry; the ITAB did not have to interact with individual employers directly. Instead, they could work through representative structures, including both industry associations and the ITAB's own networks, to access input from industry. CEOs who held this view pointed in particular to the difficulty in reaching small business.

> We have resigned ourselves to the fact that we are never going to be able to generate a widespread interest in the small business community for training; but what we have resigned ourselves to doing though is getting training in a format and style that is suitable for them.

According to these CEOs, it makes no sense to promote the role of the ITAB, since the benefits the ITAB brings are non-specific and difficult to quantify. As a result, general marketing strategies are unlikely to be highly successful. The experiences of most ITABs would appear to be in line with this observation, with many admitting that newsletters often end up in the bin, and that seminars and the like attract more people from the VET sector than from industry. Further, it is the same industry people who turn up each time to these events; "we tend to find now that we are preaching to the converted". Marketing activities should perhaps be focussed instead on initiatives that employers can see immediate gains from.

> When we promote to industry we tend to try and promote tangible things — programs they can take advantage of, initiatives that will affect them directly — as opposed to trying to promote our role per se.

For many CEOs, therefore, the only significant problem that was seen to arise out of low industry awareness was the political problem associated with justifying their own existence.

Interestingly, the respondents who were more likely to indicate that industry awareness was not a problem were also more likely to have had a long employment history within the ITAB

network. It was also probable that they came from one of the ITABs with relatively stable industry coverage — that is, hospitality and tourism, or retail and wholesale trade.

On balance, and despite the mix of views, it is probably fair to say that the majority of CEOs believe that ITABs would be more effective if more employers were aware of ITABs and the role they play. Certainly, ITAB understanding of their industry would be much enhanced. Nevertheless, most interviewees did not see self-promotion as sufficiently close to the core business of ITABs to warrant much effort, especially given severe resource constraints.

Benefits Provided by ITABs

All respondents were asked to indicate what they thought were the main benefits that arose out of the presence of ITABs. The most frequently-mentioned benefits fell into one of four categories: improved information advice; improved training outcomes; increased awareness about training; and enhanced industry voice.

The majority of respondents (16 out of the 23) pointed to the information advice role played by ITABs. In particular, respondents highlighted the benefits of having a conduit for conveying training-related information from government and providers to industry (especially when that information is often received in a format which is not 'user friendly'), and for relaying industry training requirements to providers and government. Relatedly, it was claimed that there were clear advantages for industry having a central dedicated source from which to obtain information and advice about any training issue — what many respondents termed as having 'a one-stop shop'. It might be claimed that there are other organisations, and notably employer associations, that could fill this role. However, the response of many of the ITAB CEOs is that employer associations are not well-structured for such a role, because of the breadth of issues they tend to cover.

Turning to the impact of ITABs on training outcomes, a substantial number of respondents (10) claimed that the operations of the ITAB had led to improved training outcomes, especially through its role in ensuring curriculum and prov[illegible]ers met industry standards. Relatedly, a number of respondents, including all of the CEOs of the national ITABs, claimed that the role of ITABs in fostering national consistency in standards was significant and had been, at least indirectly, a factor which has facilitated improved training outcomes.

The third area of significance concerns the role played by ITABs in increasing awareness about training issues in sectors which traditionally have not had much interest in training.

One respondent, for example, claimed that many companies which had "never had access to training before, or had never thought about training before" were now implementing structured training. More specifically, the CEO of the Administration, Property and Finance Industry Training Council in Western Australia pointed to the much increased uptake of structured training in security and cleaning services, sectors where structured training had been almost non-existent.

Finally, a sizeable number of respondents (12) suggested that the ITAB provides industry with a stronger and clearer voice on training matters when dealing with government. To quote:

> "[The ITAB] provides industry with a co-ordinated and a formal voice into the training system."
>
> "Is able to articulate industry needs in a more effective form."
>
> "Provides a strong national voice for industry."

At least six respondents placed particular significance on the ability of ITABs to synthesise the views of a wide range of players within an industry (or group of industries). Without such a body it was believed that government, in particular, would find it much more difficult to identify a clear industry view on training issues.

Problems and Constraints

Through the course of the interviews, it became clear that the respondents perceive that ITABs confront a wide range of problems and obstacles in carrying out their functions. A summary of the problems most frequently mentioned by the State ITAB CEOs is provided in Table 1.

Resource Constraints

As shown in Table 1, the most frequently-mentioned problem was a lack of resources, with 80 per cent of respondents making explicit mention of the need for more funds in order for the ITAB to meet all of its goals and objectives. The lack of resources was frequently cited as a major reason why making direct contact with more than a handful of employers was not realistic.

Interestingly, and as noted earlier, only a few respondents interpreted this as implying a need to move into other activities which might be able to generate increased income. Most interpreted it as simply reflecting fiscal constraints faced by governments.

Table 1: Major Problems Cited by CEOs of State ITABs

Problem	*No. of mentions*
Resource constraints	16
Government demands and processes	12
Industry coverage	9
Too much change	8
Difficulties reaching small business	6
Inflexibility of public provider	6
Lack of direct contact with employers	5
Poor training culture in industry	4
Complexity of training reform / jargon	4
ITAB network	4
Change in coverage / name	3
Size of State	3
ITAB insecurity	3

Government Demands and Processes

Next most frequently mentioned was pressure from governments, especially State Governments, with more than half the State ITAB respondents pointing to this problem. The most common complaint was that too much time was spent responding to State Government requests. While it was recognised that government was the major source of funds, most ITABs were also of the view that the level of demands from State Governments, in particular, was not in proportion with the amount of financial support provided. Examples of comments here include:

> There is a lot of wasted effort in justifying to government, through reports or answering questionnaires, our presence.

> In the past three years I have only spent ... about 50 per cent of my time effectively servicing industry. The rest of the time has been responding to government reports, justification, or accountability processes.
>
> The volume of paperwork needs to be reduced by at least 50 per cent.
>
> It's a lot of work keeping in touch with industry let alone responding to government.
>
> We spend too much time reporting ... rather than actually getting out there and doing it.
>
> We're getting to the stage where we are not even getting our foot outside the door.

Other complaints include:

- overly complex and bureaucratic accreditation processes;
- governments not being prepared to genuinely listen to, and respond to, what ITABs have to say;
- an emphasis by government on "glossy brochures and flashy launches", rather than on substantial issues; and
- dominance of top-down planning processes within government.

Industry Coverage

Another problem area, especially in light manufacturing (but also in the finance and business services and the electrical and electronics skills sectors), was the nature of industry coverage and, more specifically, the expansion of coverage through amalgamations.

All of the respondents from the light manufacturing network were in agreement that the government-imposed amalgamation of the textiles, clothing and footwear industry with the furniture and furnishings industry was, to quote one respondent: "a bloody silly idea." The key problem is that in this instance, the two main industry sectors believe they have nothing in common with each other. "They see themselves as disparate." Given this climate, it is hard to imagine that the ITABs will have much success in promoting training and training reform. The fact that the amalgamations were imposed in spite of industry opposition will also make it difficult to convince industry that the ITAB has been established in their best interests. "The credibility of the ITAB has been undermined in the eyes of the industry."

The situation has been further complicated by the change in brand name. "Calling this thing light manufacturing means nothing to anybody." The merger is thus seen as diluting efforts by the ITABs to market themselves. Moreover, it has undermined the process of encouraging industry ownership of training.

Similar remarks were made by respondents from the finance and business services and electrical and electronics skills ITAB networks. The CEO of the national finance and administration ITAB, for example, pointed out that the vast difference between the types of industries within the ITAB's coverage made it much more difficult for the ITAB to achieve its objectives. Somewhat differently, in the electrical and electronics sector, one CEO claimed that both of the former Boards would have preferred to remain as separate entities. However, they had managed to preserve their industry identities by establishing a divisional structure in the operation of the new Board (although, like light manufacturing, the name change was believed to have weakened industry links).

A small number of ITABs across a number of industry sectors (but notably finance and business services) also pointed to problems arising out of the sheer size of their industry coverage. Most obviously, a big industry in combination with limited resources makes reaching employers even more difficult. As one respondent put it:

> Effectively servicing something as complex as that and as diverse as that is a real problem.

The Training Reform Process

A number of the respondents were critical of the way the training reform process had been managed. While it was acknowledged that the training reform process potentially placed ITABs in a position of prominence, it was also claimed that the process has undermined the credibility of the ITAB.

Thus, there are two related criticisms. First, the pace of change has been too rapid. Second, the process is too complex and is overlaid with jargon which employers cannot understand.

Examples of relevant comments here include:

> Industry finds it very hard to keep up with the changing goal posts.
>
> Industry is thoroughly confused by all these changes.

> [Government needs to] allow the changes which have been put in place, time to bear fruit.
>
> They [industry] don't understand "training speak" and the training sector does not know how to talk in terms of the bottom line.
>
> It [the NTRA] is quite a complex thing to sell to anyone.

While both the pace and complexity of change does have the potential to reinforce the significance of ITABs (given that their main function is the provision of training advice), the reform process is seen as being problematic for ITABs in at least two related ways. First, industry is frequently unable to distinguish between the ITAB and government, and hence their criticisms about the pace and nature of change are frequently directed at the ITAB. Second, the constant "changing of the rules" and the constant use of "training speak" results in employers becoming more cynical about the training reform process, making it more difficult to market the process to industry.

Lack of Direct Contact with Employers / Difficulties Reaching Small Business

As noted earlier, a number of CEOs viewed the lack of direct contact between ITABs and individual employers as problematic. Such problems are typically most acute with respect to the small business sector. While ITABs try to work through industry associations to reach the small business sector, it is generally agreed that penetration is low.

Nevertheless, and as noted earlier, the majority of CEOs do not see this lack of awareness as problematic. Most have reconciled themselves to the likelihood that initiatives to increase that penetration are unlikely to be successful. Small business owners and managers are so focussed on keeping the business going that they simply do not have the time to read material or attend meetings on an issue which, at the end of the day, is not seen as critical for short-term survival and profitability.

Inflexibility of the Public Provider

At least six respondents pointed to continued problems in the dealings of industry with the major public provider. While there was general agreement that TAFE had become more responsive to industry needs in recent years, these respondents claimed that TAFE is still not sufficiently responsive to industry needs. For example:

> The training system ... is very loathe to having someone come in and tell them what to do.
>
> The private provider is very flexible, listens to ideas, and gets on with it. The TAFE system seems so hidebound with administrative practices that it can't see the wood for the trees.

On the other hand, it is worth drawing attention to one respondent's comment that:

> Everybody seems to have a fair amount of baggage about the ability of the VET sector to provide ... an old chestnut.

Indeed, in the opinion of this respondent, the main obstacle to the formation of closer links between the VET sector and industry was the "entrenched attitudes of industry".

Other

Other problems cited by at least three CEOs include:

- the absence of a training culture within the industry;
- problems with the ITAB network (see earlier discussion);
- the size of the geographical region (i.e. the State) that the ITAB has to service; and
- fears about the prospects for survival of the ITAB itself (in part arising from the frequent governmental reviews to which ITABs are subjected).

Other problems cited by only one or two respondents include:

- the depressed state of the local economy, which works against initiatives designed to increase training;
- employer concerns about the increased portability of skills that may result from the introduction of national standards and systems;
- lack of industry people prepared to work on the ITAB and its committees;
- the presence of NETTFORCE;
- the presence of other organisations within the industry (typically industry associations) providing advice to government and industry on training matters;
- difficulties dealing with particular industry associations;
- the nature of the workforce in the industry works against the expansion of training; and
- perceptions within industry that the ITAB is an instrument of government rather than of industry.

Summary

Overall, it is very clear that ITABs typically have only a limited amount of direct contact with individual employers. Instead, ITABs tend to work through representative structures, especially their own Board members, as well as industry/employer associations. Indeed, Board membership is often dominated by representatives from employer associations. Direct contact with employers tends to be restricted to isolated instances where an ITAB receives a request for assistance with a specific problem, or to a select group of employers with an interest in training (usually the larger firms within the industry).

As a result, most ITABs were of the view that awareness among employers about ITAB activities was unlikely to be high. Views on whether this represents a problem for ITABs were more mixed. However, it is concluded that, on balance, most ITABs do not believe that diverting resources to self-promotion would be a sensible use of those resources, especially given the limited amount of funding received. Indeed, resource constraints were mentioned by 80 per cent of the State ITAB CEOs as being a significant obstacle to the ITAB achieving its objectives. In contrast, just 20 per cent of employers suggested that lack of direct contact with employers was a major problem.

Other frequently-mentioned problems include: burdensome demands from governments; inappropriate industry coverage, in some cases arising out of imposed amalgamations; and problems with the training reform process (too complex and too much change). The criticisms raised with respect to governments is particularly worrying, and suggests the possibility that ITABs may now actually work more on behalf of governments than on behalf of industry (although it is recognised, of course, that there may be substantial commonality in purpose here).

4 The Employer Perspective

The second stage of the study involved collection of data from employers. Specifically, the principal objectives of this stage of the project were to:

(i) determine the degree of knowledge that employers have concerning ITABs;
(ii) identify the extent to which employers perceive they have need of professional advice concerning employee training; and
(ii) collect information on what employers believe ITABs should be doing.

This chapter reports on the results of a small telephone-based survey designed to collect information on these and other related issues.

Survey Method

As indicated above, the vehicle used for this stage of the study was a questionnaire-based survey administered by telephone. In line with the practice adopted by the Australian Bureau of Statistics (ABS) in its 1994 survey of training practices (see ABS 1994), the unit of analysis for this survey was individual employers within a particular State or Territory. Respondents were thus requested to respond with respect to activities of their organisation within a single State/Territory.[14]

The survey was aimed at the person in the organisation with most responsibility for decision-making concerning employee training. In the case of small firms, this was typically the company manager (often an owner/manager), whereas in large organisations it was usually a senior manager from a division specialising in human resources and/or training.

To ensure high levels of co-operation with the study, the survey instrument was deliberately kept quite short (average interview time was six to seven minutes). The content of the instrument covered:

(i) background characteristics of the firm (size, industry, age);

[14] The exception to this rule was that all respondents were asked to indicate the approximate number of persons employed throughout Australia by their firm.

(ii) ITAB awareness;
(iii) knowledge of ITAB functions;
(iv) perceptions of ITAB performance;
(v) need for training advice;
(vi) extent of employee training; and
(vii) attitudes towards training.

A copy of the instrument used can be found in Appendix C.

Sample Selection

Resource constraints limited the size of the sample that could be interviewed. In light of this, and in order to facilitate comparisons with the qualitative data collected from the ITAB CEOs, attention was again restricted to five discrete industry sectors — in this case, electrical and electronic equipment manufacture and service, finance and business services, furniture and furnishings manufacture, hospitality and tourism, and retail and wholesale trade. Furthermore, the sample was chosen from States and Territories corresponding to the ITAB CEOs interviewed for this study. Thus, within each sector, selection was constrained to business locations as follows:

• Electrical and electronics	New South Wales, South Australia, Victoria and Western Australia
• Finance and business	Victoria, Queensland, Western Australia and Tasmania
• Furniture and furnishings	Victoria, Tasmania, Western Australia and South Australia
• Hospitality and tourism	New South Wales, Queensland, Northern Territory and Tasmania
• Retail and wholesale trade	New South Wales, Queensland, South Australia and the Australian Capital Territory

Because of the strong likelihood of very small firms having little involvement in, interest in or need for employee training, the scope of the survey was also restricted to organisations with at least five employees.

Table 2: Yellow Pages Business Classifications Used to Derive Sample

Industry Sector	Yellow Pages Business Classification
Electrical and electronics	air conditioning installation and service
	computer equipment hardware
	computer equipment repairs and service
	electronic equipment wholesalers and manufacturers
	electrical accessories wholesalers and manufacturers
	electrical appliance wholesalers and manufacturers
	electrical contractors
	electronic parts wholesalers and manufacturers
	electrical switches and control equipment
	facsimile equipment repairs and service
	hi-fi equipment wholesalers and manufacturers
	radio communication equipment and service
	refrigeration domestic repairs and service
	television repairs and service
Finance and business	banks
	business agents and consultants
	computer systems consultants
	conveyancing services (excluding solicitors)
	credit unions and societies
	data preparation and processing services
	debt collection services
	finance brokers
	investment services
	insurance brokers
	insurance fire and marine
	insurance motor vehicles
	land brokers
	superannuation and roll-over consultants

Table 2 (cont'd)

Industry Sector	Yellow Pages Business Classification
Furniture and furnishings	beds and bedding wholesalers and manufacturers
	blinds wholesalers and manufacturers
	cabinet makers
	curtains wholesalers and manufacturers
	furniture wholesalers and manufacturers
Hospitality and tourism	adventure tours and holidays
	bus and coach charter and tours
	caravan and tourist parks
	casinos
	convention and conference venues
	holidays and resorts
	hotels
	motels
	restaurants
	tourist attractions
	travel agents
Retail and wholesale trade	carpet and carpet tile retailers
	compact disc retailers
	department stores
	discount stores
	furniture retailers
	hardware retailers
	ladies-wear retailers
	menswear retailers
	motor accessories retailers
	pharmaceutical chemists
	supermarkets and grocery stores
	wholesale butchers
	wholesale jewellers
	wholesale nurseries

The population frame from which the sample was chosen was the *Yellow Pages* telephone directories available on the world-wide web. Key words pertaining to the five industry sectors were first used to establish suitable *Yellow Pages* business classifications to search for business entries. The *Yellow Pages* classifications used are listed in Table 2.

Details of up to the first 100 businesses located within each of the *Yellow Pages* business classifications for each State were saved into a computer file. In the larger States, selections were drawn from specific sub-regions (but always including the capital city), rather than from the entire State.

The desired number of completed interviews was 300, which was to comprise 60 firms in each industry sector and, in turn, these industry sub-samples were to comprise 15 firms from each of four States or Territories. In practice, the survey resulted in 293 completed interviews which was achieved from a total of 1222 selections.

As just indicated, the interviewers were instructed to contact 15 businesses within each of the four States for each of the five industry categories. At least one business was to be located within each of the listed *Yellow Pages* classifications. The 15 businesses, however, were required to represent different-sized firms (based on the number of employees throughout Australia). Hence the interviewers were requested to attempt to ensure that each industry / State sub-sample comprised five small firms (with between five and 19 employees), five medium-sized firms (with between 20 and 49 employees) and five large firms (with 50 or more employees, of which two were required to have 100 or more employees).

All refusals were to be noted. A substitute within the *Yellow Pages* classification was to be made for refusals or for any business falling outside the available quotas.

Interviewing took place during October 1996.

Response

A summary of contacts made and the associated responses is provided in Table 3. This table indicates that the overall hit-rate (number of completed interviews per 100 selections) was 24 per cent. The effective response rate, however, was much higher, given that contact was only made with 44 per cent of the starting sample. When calculated as a proportion of actual contacts made, the response rate was 55 per cent, which compares quite favourably with other employer-based surveys. Moreover, the refusal rate, at 29 per cent, was quite low.

Response rates, however, were not uniform and varied both across industry sectors and across States and Territories within those industry sectors. As reported in Table 4, response rates ranged from just 41 per cent in wholesale and retail trade up to 71 per cent in finance and business. Interestingly, the major source of this variation was not refusal rates, but availability of respondents.[15]

Table 3: Response Status Summary

	Number	*%*
Starting sample	1222	100
Out of scope	597	49
Outside size quota	476	39
Not a business / wrong number	112	9
Not in required industry	9	1
Remaining in-scope	625	51
Contacts	536	44
Completed interviews	293	24
Interviews not completed	243	20
Refusal	155	13
Not available	37	3
Head office interstate	51	4
Non-contacts (no answer or answering machine)	89	7
Hit rate[a]	**24.0%**	
Response rate[b]	**54.7%**	
Refusal rate[c]	**28.9%**	

Notes: a Number of completed interviews as a percentage of the number of selections (starting sample).
b Number of completed interviews as a percentage of the number of contacts.
c Number of refusals as a percentage of the number of contacts.

[15] Wholesale and retail trade did record the highest refusal rate, but at 34 per cent it was only slightly larger than the sample average of 29 per cent.

Table 4: Response Rates by Industry and State/Territory (%)

	Electrical & electronics	*Finance & business*	*Furniture & furnishings*	*Hospitality & tourism*	*Wholesale & retail trade*	*TOTAL*
NSW	71			48	44	51
Victoria	41	63	74			55
Queensland		65		41	35	44
SA	56		75		50	58
WA	54	79	63			63
Tasmania		82	54	67		66
ACT					39	39
NT				60		60
TOTAL	53	71	65	52	41	55

Awareness of ITABs

As noted earlier, one of the major objectives of the survey was simply to identify the extent to which employers were aware of the presence of an ITAB in their industry and in their State. Respondents were thus asked to indicate whether they were aware of an advisory body within their State (or Territory) created to service the training needs of the industry, and whether they could name this body. The name(s) of the relevant ITAB(s) was then read out and respondents asked to confirm whether they had heard of it. Further, respondents who indicated that they were aware of the presence of an ITAB, were asked whether they had any knowledge about the ITAB's functions and objectives. A summary of these responses cross-classified by industry sector is provided in Table 5.

The results presented in Table 5 suggest, at least at first glance, that ITAB CEOs may have under-estimated the extent to which industry is at least aware of the ITAB presence. Just over half of all respondents (53.6%) indicated that they were aware that an advisory body existed within their State (or Territory), which had been created to service their training needs.

Table 5: Employer Awareness of ITABs by Industry (%)

	Electrical etc.	*Finance / business*	*Furniture etc.*	*Hospitality / tourism*	*Wh. & ret. trade*	*TOTAL*
Aware of ITAB:						
and knew its name:						
and got it right	5.0	1.7	19.0	36.2	8.6	14.0
but got it wrong	10.0	10.2	15.5	13.8	17.2	13.3
but did not know its name	21.7	23.7	34.5	22.4	29.3	26.3
Unaware of any training advisory body	63.3	64.4	31.0	27.6	44.8	46.4
Total	100.0	100.0	100.0	100.0	100.0	100.0
Recognised name of relevant ITAB	16.7	10.2	55.2	77.6	29.3	37.5
Have knowledge of functions and objectives of ITAB	8.3	3.4	27.6	58.6	20.7	23.5

Of course, such responses may be based on a vague level of awareness or, alternatively, may be the result of employers confusing another organisation with the relevant ITAB. Only 27.3 per cent of respondents, for example, were able to name the advisory body, and only a little over half of these respondents named the relevant ITAB as being that body. Thus, in total, just 14 per cent of respondents indicated that they were both aware of the presence of the ITAB and able to name that body correctly.

Nevertheless, the fact that a specific manager within an organisation cannot name the relevant ITAB, does not necessarily mean that there is no general awareness of its existence. Perhaps more reasonable indicators are provided by the final two rows in Table 5, which report: (i) the proportion of managers who responded affirmatively when asked whether they had heard of the ITAB when it was named; and (ii) the proportion of managers who indicated that they had knowledge of what the functions and objectives of ITABs were. Thirty-seven per cent of respondents indicated that they recognised the name, while 23 per cent indicated that they believed they knew what the functions and objectives of the ITAB were.

Table 5 also reveals, as might be expected given the very different histories to the formation of ITABs in each industry sector, that the awareness of ITABs varies markedly across the sectors. Awareness and recognition is extremely high in hospitality and tourism. In this sector, 36 per cent of respondents were able to correctly name the ITAB without prompting, while almost 78 per cent indicated that they recognised the ITAB name. Awareness and recognition is also relatively high in the furniture and furnishings sector, with around 55 per cent indicating that they recognised the name of the relevant ITAB. This may appear surprising, given our earlier claim based on ITAB CEO responses (see Chapter 3). This showed that the creation of new ITABs under the industry label 'light manufacturing' (by combining the former furniture and furnishings ITABs with those from other sectors) had served to weaken industry identification with these bodies. However, given the recency of the mergers and consequent name changes, respondents were asked whether they recognised the ITAB under either its current name or its former name. Almost half of those respondents from the furniture and furnishings industry who indicated that they recognised the ITAB only did so after the former name (which invariably included a reference to the furniture and furnishings industry) was read out.

At the other end of the spectrum, industry awareness and recognition of ITABs is very low in both the electrical and electronics sector and the finance and business sector. Within the former, only five per cent of respondents were able to correctly name the relevant ITAB and only 16.7 per cent recognised its name.[16] Not surprisingly, the proportion that indicated that they knew anything about what ITABs do was also very low — just 8.3 per cent.

In finance and business services the level of awareness is even lower, with the comparable figures being just 1.7, 10.2 and 3.4 per cent. Representatives from ITABs within both of these sectors would probably be unsurprised by these figures, although there may be good reasons for concern about why awareness is so low compared to other industry sectors (such as furniture and furnishings). The low level of awareness in finance and business services undoubtedly reflects the fact that the ITAB presence in this industry sector is relatively new. Nevertheless, the very low figures indicate that the ITAB network has a lot of work to do if it intends making itself known to its industry constituents.

As expected, employer awareness of ITABs varies not only with industry sector, but also with firm size. Figures reported in Table 6 show that recognition and awareness about ITABs and the functions they perform is highest among larger employers. For example, just under 30 per

[16] Electrical and electronics is another sector where firms often only recognised the ITAB's former name (six out of the 10 respondents who recognised the ITAB fit this description).

cent of respondents from small firms (less than 20 employees) indicated that they recognised the name of the relevant ITAB compared with almost 48 per cent of firms with 50 employees or more.[17,18] Nevertheless, the difference is possibly not as great as might have been expected.

Table 6: Employer Awareness of ITABs by Firm Size (%)

	No. of employees:		
	<20	*20-49*	*50+*
Aware of ITAB:			
and knew its name:			
and got it right	4.2	12.7	22.7
but got it wrong	16.8	10.1	12.6
but did not know its name	23.2	34.2	23.5
Unaware of any training advisory body	55.8	43.0	41.2
Total	100.0	100.0	100.0
Recognised name of relevant ITAB	29.5	31.6	47.9
Have knowledge of functions & objectives of ITAB	12.6	22.8	32.8

It also might be expected that awareness of the ITAB will be related both to the need for training advice and the extent of training (given that a workplace training culture is more likely to be associated with greater involvement in the wider training agenda). The cross-tabulated data presented in Tables 7 and 8 provide strong support for the former hypothesis, but not the latter. As shown in Table 7, respondents that indicated that their organisation had a large (or very large) need for independent advice on training matters were much more likely to be aware of the ITAB and to claim to have knowledge of its functions. Moreover, the

[17] This difference is statistically significant at the one per cent level.

[18] Note that differences in the composition of the sample by firm size cannot explain the inter-industry differences, since the sample was stratified by both industry and firm size.

reported differences are highly significant in a statistical sense. In contrast, Table 8 reveals that while firms where the incidence of employee training was high were more likely to report knowing about the ITAB, the differences were not large, and certainly not large enough to be statistically significant.

Table 7: Employer Awareness of ITABs by Need for Training Advice (%)

	No need	*Very little need*	*Some need*	*Large need*
Aware of ITAB:				
and knew its name:				
and got it right	2.1	9.1	18.2	26.1
but got it wrong	6.3	11.4	19.1	10.9
but did not know its name	25.0	26.1	24.5	32.6
Unaware of any training advisory body	66.7	53.4	38.2	30.4
Total	100.0	100.0	100.0	100.0
Recognised name of relevant ITAB	18.8	26.1	46.4	58.7
Have knowledge of functions & objectives of ITAB	2.1	12.5	35.5	39.1

Indeed, when we examine the incidence of recognition of the relevant ITAB name, there is no obvious relationship at all with training incidence.

Given that ITABs have limited resources and hence need time to make themselves known to their constituents, we might also expect employer awareness to be greater in older, longer-established firms than in newer firms. In fact, the results from our survey suggest that there is

Table 8: Employer Awareness of ITABs by Incidence of Employee Training in Past Year (%)

	Proportion of employees receiving training:			
	None	*Up to 25%*	*25% up to 75%*	*More than 75%*
Aware of ITAB:				
and knew its name:				
and got it right	10.0	9.6	17.3	16.8
but got it wrong	7.5	12.0	16.0	14.7
but did not know its name	22.5	26.5	24.0	29.5
Unaware of any training advisory body	60.0	51.8	42.7	38.9
Total	100.0	100.0	100.0	100.0
Recognised name of relevant ITAB	37.5	34.9	41.3	36.8
Have knowledge of functions & objectives of ITAB	26.0	19.3	26.7	26.3

no such relationship. As reported in Table 9, on none of the various indicators was there any evidence that firm age was systematically associated with knowledge of the ITAB.[19]

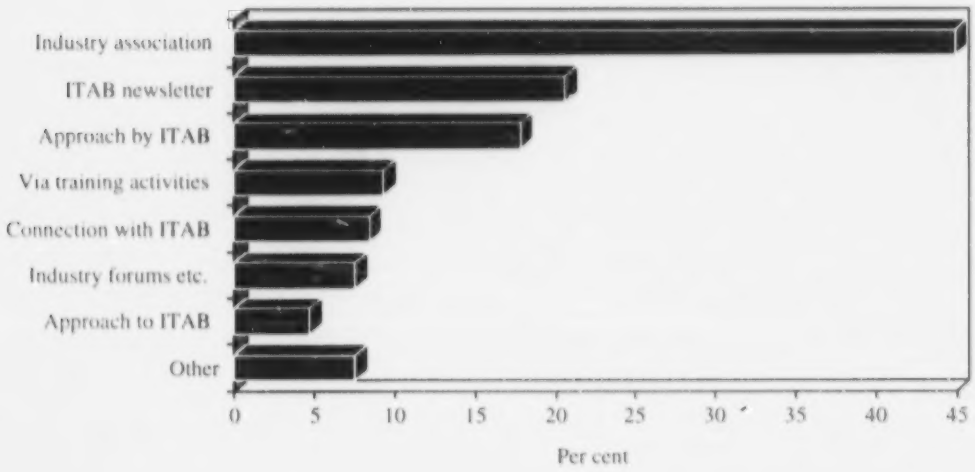
[19] These conclusions are confirmed by multivariate analyses. Specifically, a simple binary logit model of employer awareness / recognition of ITABs was tested using three different dependent variables. The three dependent variables were all binary and took the value 1 if the respondent: (i) knew the correct name of the relevant ITAB (without prompting); (ii) recognised the name of the relevant ITAB; and (iii) claimed to have knowledge of the ITAB's functions and objectives. The model tested included controls for industry, firm size, age of firm, need for training advice, extent of training, and a variable measuring a respondent's attitudes towards a co-ordinated industry-wide approach to training. The estimated model typically had excellent explanatory power (pseudo R-squared values of between 0.45 and 0.48). In all specifications, need for training advice was positively signed and statistically significant. In contrast, neither age of firm nor extent of training were statistically significant. As expected, strong inter-industry effects were found. Further, respondents who indicated that they were favourably predisposed towards co-ordinated industry-wide approaches to training were found to be much more likely to know of the ITAB (though the direction of causation is not entirely clear in this case).

Table 9: Employer Awareness of ITABs by Firm Age (%)

	Period in which commenced operation:			
	Before 1970	*1970s*	*1980s*	*1990s*
Aware of ITAB:				
and knew its name:				
and got it right	14.1	10.9	18.6	12.8
but got it wrong	16.5	10.9	10.5	17.0
but did not know its name	27.1	34.4	23.3	25.5
Unaware of any training advisory body	42.4	43.8	47.7	44.7
Total	100.0	100.0	100.0	100.0
Recognised name of relevant ITAB	37.6	35.9	37.2	44.7
Have knowledge of functions & objectives of ITAB	20.0	28.1	25.6	25.5

Finally, it may be of interest to know how those firms that were aware of the ITAB gained this knowledge in the first place. A summary of responses by those firms who indicated that they at least recognised the relevant ITAB is provided in Figure 1. This chart shows that by far the most common method is via an industry association. Of the 107 respondents asked this question, 45 per cent indicated that they learned of the ITAB through an industry association. Also frequently mentioned were ITAB newsletters (21%), and direct approaches from the ITAB (18%). The dominance of industry associations as an avenue for raising awareness about ITABs is consistent with the finding reported in the previous section. On the basis of ITAB CEO responses, it was concluded that ITABs tend to work through representative structures rather than through direct contact with employers.

Figure 1: Method by which Firm Became Aware of ITAB (% of firms aware of ITAB presence)



ITAB Functions and Objectives

The survey instrument also asked respondents to indicate what they believed were the main functions undertaken by their relevant State-based ITAB. This question, however, was only posed to those respondents who indicated that they had any knowledge of the functions and objectives of the ITAB. This group is relatively small (just 23.5 per cent of the total sample) and hence we are constrained in the amount of detail that can be reported. A summary of results with firms classified into two broad-size groups is provided in Table 10.

The figures reported in this table suggest a broad degree of consensus among respondents, with the large majority of firms holding the view that the main functions of ITABs were: advising government on training needs (92%); promoting industry training (91%); advising employers of available training options (85%); working with training providers to improve training courses (85%); accrediting training courses and/or providers (83%); marketing government training initiatives (64%); and assisting firms to identify training needs (60%).[20] Differences across the two size categories were generally not pronounced. However, it is true

[20] These responses are based on a close-ended question. An ensuing open-ended question did not reveal any major functions not covered by the list in Table 8, with the exception perhaps of a general advice and information role.

that small firms were much more likely to see both the provision of advice with respect to available training options and working with training providers as part of the ITAB function (in fact, *all* respondents from organisations with fewer than 50 employees were of this view).

Table 10: Main Functions of ITABs by Firm Size (% of firms with knowledge of ITAB functions)

	Firm size (employees):			
	<50	*50+*	*Total*	*Prob. of zero diff.*
Advising employers of available training options	100.0	73.0	85.1	0.002
Working with training providers to improve training courses	100.0	73.0	84.6	0.003
Providing training	55.2	38.9	46.2	ns
Advising government	92.9	91.4	92.1	ns
Accrediting courses and providers	89.3	77.8	82.8	ns
Marketing government training initiatives	65.4	63.6	64.4	ns
Assisting firms to identify training needs	71.4	51.4	60.3	ns
Selling training resources and materials	60.7	47.2	53.1	ns
Promoting industry training	96.6	86.1	90.8	ns

Note: ns Not significant.

There are, however, good reasons to be concerned about the extent to which these responses reflect actual practice. Most obviously, 46 per cent of respondents were of the view that ITABs actually provide training when, in fact, this is manifestly untrue for nearly all ITABs. Perceptions may not accord with reality for a number of reasons. It may simply reflect a lack of direct involvement with the ITAB, even though the firm may be aware of the ITAB's presence. Alternatively, some firms may confuse ITABs with other bodies who have training responsibilities. This seems very likely, for example, in the retail trade sector, where the industry skills centres had previously been operated by the ITABs.

Finally, all respondents who recognised the name of the relevant ITAB in their industry were asked what they felt *should* be the most important functions of ITABs.[21] A breakdown of responses is provided in Table 11. This table reveals that the majority of employers believe the main function for ITABs should be to provide advice to industry. Almost 60 per cent of respondents to this question listed training advice to industry as one of the three most important functions an ITAB should perform. In contrast, just 25 per cent put provision of advice to governments in their lists.

Table 11: Employer Perceptions of Most Important ITAB Functions (% of firms which recognised relevant ITAB)

	%	
Provision of training advice to industry		59.5
General advice about training matters	47.6	
Advice on available training options	14.3	
Advice about firm training arrangements	6.0	
To improve training arrangements (e.g. by working with training providers)		36.9
Provision of advice to governments		25.0
Training delivery		19.0
Involvement in accreditation and recognition processes		15.5
Provision of training resources and facilities		10.7
Promotion of training to industry		7.1
Assistance with trainees and apprentices		7.1
Monitoring industry training standards		7.1
Determining industry training needs		6.0
Co-ordinating an industry-wide approach to training		4.8
Other		13.1

Note: The percentages are calculated after excluding 26 cases (or 23.6% of the valid sample) who failed to provide an adequate response to this question.

[21] Respondents were asked to nominate what they believed should be the three most important functions.

Comparison with the findings documented in Chapter 3 suggests a clear tension here between employers and ITAB management. While there appears to be no dispute about the primary role of the ITAB as a source of training advice, there is a clear difference in expectations concerning the direction in which that advice should flow. Industry expects the advice to flow down to employers. Yet ITAB management made it clear that more of their time was devoted to the upward flow of information to government, even though most would concede that it is the downward flow of information which should be accorded greater priority.

The other often-mentioned function was assistance in bringing about improved training arrangements, usually through working with training providers to make courses more relevant to industry needs. Almost 37 per cent of respondents were classified as responding in this way. Again, responses from ITAB management documented in Chapter 3 suggest that this objective is, while not unimportant, subsidiary to other functions. These include the promotion of industry training, involvement in accreditation and recognition processes and, of course, provision of advice to government. Employers, on the other hand, would appear not to share these sentiments.

It is also again worth noting that almost one in five respondents mentioned training delivery as a function that they felt ITABs should be involved in, even though this has been explicitly ruled out in all funding agreements between governments and ITABs.

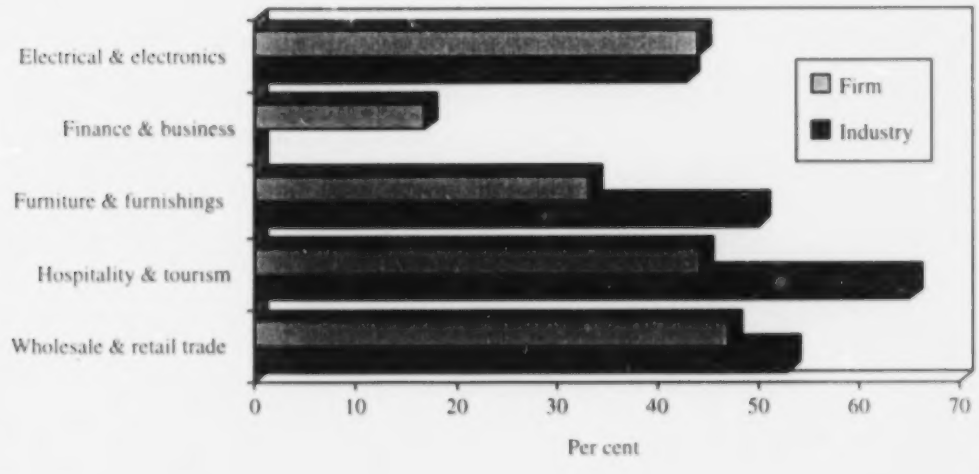
Satisfaction with, and Benefits of, ITABs

On balance, the survey results suggest a reasonably high level of satisfaction with ITAB performance. For instance, most employers (77%) who claim to have some knowledge of what ITABs do were of the view that their ITAB was doing what they believed it should be. Further, when respondents were asked about their perception of the value of the ITAB to their industry (asked of all respondents who were aware of the presence of the relevant ITAB), only a small proportion (8%) indicated that the ITAB had had a negative impact. Most claimed the ITAB had either been good for the industry (55%) or had been neither good nor bad (37%). On the other hand, the proportion responding that their own organisation had directly benefited from an ITAB presence was lower — 40 per cent of all firms which recognised the name of the relevant ITAB.

As shown in Figure 2, the proportion reporting that ITABs had been beneficial does vary somewhat across industry groups. In particular, very few respondents from the finance and business services sector indicated that ITABs had been good for either their industry (none in

fact) or their own organisation (17%). Nevertheless, the small sample sizes involved does mean that the differences across industry groups are not statistically significant.

Figure 2: Percentage of Firms Responding that ITAB Had Been Beneficial by Industry



Further inferences about the value of ITABs can be drawn from responses on the specific benefits that ITABs are believed to have conferred on individual organisations. As documented in Table 12, just over 45 per cent of the relevant respondents (that is, those who believe ITABs have benefited their organisation) pointed to improved training outcomes resulting from, for example, the introduction of traineeships, improved courses, provision of new courses, access to national standards and improved accreditation processes. A further 37 per cent pointed to improved training information and advice. Other less frequently-mentioned benefits include greater awareness about training, a stronger industry voice on training matters and improved co-ordination of industry approaches to training and the training reform agenda.

Of some interest, reference back to Chapter 3 reveals a high degree of similarity between these employers' responses and those of ITAB management. Perhaps the most notable difference is that the ITABs, as compared with employers, are much more likely to point to the benefits for industry of the information and advice role they provide.

Table 12: Employer Perceptions of Types of Benefits Conferred on Firm by ITAB (% of firms which believe they have benefited from ITABs)

	%
Improved training outcomes	45.6
Traineeships / improved apprenticeship outcomes	14.3
Improved training courses and arrangements	11.6
Provision of specific courses / seminars	9.3
Access to national standards	9.3
Accreditation of courses and/or providers	7.0
Other	7.0
Improved information and advice	37.2
Greater industry co-ordination / interaction on training matters	9.3
Greater awareness about training	7.0
Enhanced industry voice	7.0
Other	9.3
Not stated	4.7

5 Conclusions

While ITABs are ostensibly industry bodies, the discussion in this report, and especially in Chapter 3, suggests that they are really creatures of government and, as such, driven by the demands of government. As we have seen, neither ITABs nor the industries they purport to represent appear to have much direct say over what the functions of the ITABs should be. Ultimately, ITABs appear to have accepted (in some cases reluctantly) that in order to receive government funding, they will need to meet the contractual obligations specified in operating agreements with ANTA and the respective State Governments. "They're the funding body, so you have to accept what they want." This is not necessarily problematic. Indeed, many ITABs claimed that the agreements are sufficiently broad to encompass all the major concerns of industry. Nevertheless, it is very apparent that the majority of ITABs have found themselves overwhelmed by demands from government, reducing their capacity to respond to the needs of, and demands from, industry.

The critical element that creates this dependency is funding. While some ITABs appear to have recognised this dependency and hope to develop products and services which can generate independent revenue, the majority believe that the scope for fee-for-service activities is limited. Further, almost all respondents were of the view that there is no scope at all for direct industry funding of ITAB functions.

> It's just not on. They [industry] will say we contribute our time ... but we certainly won't get them putting their hand in their pocket and kicking in.
>
> Government must not fall into the trap of thinking that because the ITAB benefits industry, industry will fund the ITAB.

There are a number of reasons for this. First, most businesses are small and do not have the capacity or desire to actively support ITABs. Second, big business, while having the financial resources to provide support, do not actually need ITABs. Their involvement in ITAB activities, typically in the form of in-kind support, is thus, in part, a public relations exercise; part of portraying the good corporate citizen image. Third, and as just noted, industry in general believes it already makes a substantial contribution to the operation of ITABs in the form of in-kind support, especially in terms of the time spent by managers attending meetings and reviewing documents. Finally, industry has a perception that it already contributes to the

provision of public training, both through the taxation system and through the provision of on-the-job training (both structured and unstructured).

Some ITABs, however, have recognised that continued government funding is not assured, and indeed may even now be under threat. They argue that unless the desire of government is to see ITABs shut down, then ITABs must be given more scope for generating revenue. This includes a return to involvement in training delivery, as well as being given responsibility for functions currently undertaken by government. Most obviously, ITABs could be assigned greater responsibilities and powers in the areas of accreditation and registration.

Of course, the more ITABs become involved in fee-for-service activities, the more their position as an independent provider of training advice is compromised. That is, the potential for conflict of interest arises. There is, therefore, a question mark over the extent to which ITABs can ever truly be independent. Under current arrangements, ITABs are heavily dependent on, and hence beholden to, governments. Alternatively, were ITABs more dependent on income from fee-for-service activities, their position as an independent source of advice and information would be undermined.

The greater responsiveness of ITABs to government demands as compared with industry demands has probably been reinforced by the often disparate nature of industry views on training matters. As one CEO argued:

> There is rarely a single homogeneous industry view point on vocational education and training issues and it falls mainly on the Executive Officer to synthesise a response that incorporates the spectrum of industry views.

In contrast, governments are able to articulate their requirements more succinctly and hence are easier to respond to.

The above discussion, however, should not be interpreted as indicating that ITABs necessarily work against the interests of industry. Indeed, the results of the employer survey reported in Chapter 4 suggest a reasonably high level of satisfaction with ITABs among those firms which know something about what ITABs do. Over half of these respondents, for example, believe that ITABs have been good for the industry, while 40 per cent responded that their own organisation had benefited directly from ITAB activities. Nevertheless, evidence was uncovered which suggests that the role firms expect ITABs to play is something different from the role ITABs see themselves as having. Most obviously, while there appears to be no dispute about the primary role of ITABs as a source of training advice,

there is a clear difference in expectations concerning the direction in which that advice should flow. Industry expects the advice to flow down to employers, whereas ITAB management made it clear that more of their time was devoted to the upward flow of information to government, even though most would concede that it is the downward flow of information which should be accorded greater priority. There is also a clear expectation among a sizeable minority of employers that ITABs should be actively involved in training delivery, which is counter to current policy. Very differently, there is also evidence to suggest that what firms value most highly is not so much the information and advice that ITABs provide, but instead the initiatives that lead more directly to improved training outcomes. The ITABs, on the other hand, are more likely to indicate that the information and advice role has the major benefit accruing to industry.

Finally, the evidence from the employer survey casts some doubt on the conventional wisdom shared by most ITAB CEOs, that there is very little knowledge among employers about ITABs. Almost 40 per cent of respondents to this sample (which admittedly is small — 293 cases — and excludes all employers with fewer than five employees) recognised the name of the relevant ITAB within their State and industry group, while almost a quarter claimed to have some knowledge of the functions and objectives of ITABs. Furthermore, the rates of recognition varied markedly across industry sectors, ranging from just 10 per cent in finance and business services to almost 78 per cent in hospitality and tourism. The differences between these two sectors are almost certainly a function of the very different histories of the ITAB networks in these two industries. The ITAB network in hospitality and tourism has been relatively well established over a long period, whereas ITABs in the finance and business services sector are a recent phenomenon. Further, unlike many other sectors, the organisational structure of the ITAB network in hospitality and tourism has been relatively stable. This, in turn, has been conducive to nurturing networks within the industry. These results suggest that greater awareness of ITABs in other industry sectors will follow given both time and stability of ITAB and industry structures.

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Appendix A

List of Interviewees from ITABs

Appendix A

LIST OF INTERVIEWEES FROM ITABs

Industry Group and ITAB Name	Interviewee
Electrical and Electronics	
NSW Utilities and Electrotechnology Industry Training Advisory Body	Norm Cahill
Electrical, Printing, Information Technology and Communications Training Board of Victoria	Sean McCormick
Utilities, Electrotechnology and Printing Industry Training Council (WA)	Bill Roberts
Electrical, Electrotechnology, Energy and Water Training Board (SA)	Alan Reedy
Finance and Business Services	
Finance and Administration Industry Training Advisory Body	Loretta Winstanley
Business Services Industry Training Board (Vic)	Georgie Cane
Business Services Industry Training Council (Qld)	Allan Feodoroff
Administration, Property and Finance Industry Training Council (WA)	Peter Tate
Public Administration, Finance and Business Services Industry Training Advisory Board (Tasmania)	Margaret Thurstans
Hospitality and Tourism	
Tourism Training Australia	Bill Galvin
Tourism Training New South Wales	John Hart
Queensland Tourism and Hospitality Industry Training Council	Peter Chapman
Tasmanian Tourism Industry Training Board	John Redgrove
Northern Territory Tourism Training Council	Wendy Jones
Retail and Wholesale Trade	
NSW Retail and Wholesale Industry Training Council	Elaine Jackson
Retail and Wholesale Industry Training Advisory Board (QLD)	Ashley Ward
SA Retail Industry Training Council	Greg Fitzpatrick
Wholesale, Retail and Personal Services ITAB (ACT)	Janette James

CC

Light Manufacturing

Australian Light Manufacturing Industry Training Advisory Body	Lance Hadaway
Victorian Light Manufacturing and Forests Industry Training Board	Rod Hopkins
SA Light Manufacturing Industries Training Board	David Hulett
Light Manufacturing Industry Training Council (WA)	Angela Allen
Tasmanian Light Manufacturing Industry Training Board	Sheryl Thomas

Appendix B

ITAB Interview Schedule

Appendix B

ITAB INTERVIEW SCHEDULE[22]

---

1. Industry Coverage

   What is the coverage of this ITAB in terms of industry?
   How many people does the industry employ?

2. History

   When was this ITAB created?
   How has the structure and coverage of the ITAB changed over time?

3. Funding

   How are the ITAB's activities funded?
   What proportion of funds come from outside the operating grant?

4. Objectives

   What are the main functions and objectives of your ITAB?
   How frequently are these objectives assessed/revised?
   What role does industry have in the setting of these objectives?
   How is performance assessed? Do you have in place any formal mechanisms for assessing the ITAB's performance?

5. The ITAB and Industry Needs

   Is identifying skills formation needs in your industry an important function?
   [IF YES] How is this accomplished?
   What mechanisms do you have in place for facilitating consultation about skills needs with industry?

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[22] This schedule of questions was used when interviewing CEOs from the State-based ITABs. A slightly different schedule of questions was used when interviewing CEOs from the national ITABs.

C3

6. Training Delivery

How does this ITAB foster and improve the delivery of training within this industry?
How important is the fostering of partnerships between industry and training providers relative to the other functions of the ITAB?
Are there any obstacles which hinder the creation of successful partnerships between industry and providers?
Are traineeships of importance in this industry(s)? Does NETTFORCE have a role to play? What is your relationship with NETTFORCE?

7. Service Provision and Access

Does this ITAB provide any services directly to industry?
What types of services are provided?
How important is the provision of such services relative to the other functions of the ITAB?
How is industry made aware of these services?
What feedback have you received from industry about these services?
Are there certain types of firms which are more intensive users of the ITAB's services than others? Why is this?
Could you provide a better array of services? What sort?
What prevents you from providing such services?

8. The ITAB Network

What distinguishes the functions of State ITABs from the national ITAB?
What degree of co-ordination of ITABs exists within this industry?
Are there any problems in the way the national network works?

9. Industry Awareness

In what ways do you promote training to industry?
Do you think employers in your industry have a good understanding of the role and functions of the ITAB?
[IF NO] Does this create any problems?
Do employers need to be made more aware of the benefits that the ITAB network provides?

10. Summary

Overall, what do you think are the main benefits that flow from the presence of this ITAB?

Are there tasks or functions which you believe your ITAB has excelled at?

Are there tasks or functions which your ITAB could have performed a lot better?

What needs to be done to improve the effectiveness of the ITAB in achieving its goals?

Appendix C

Employer Survey Instrument

Employer Perceptions of ITABs: Employer Survey

ID. [ ]

Firm name [ ] **Tel.** [ ] [ ]

INTRODUCTION

Good morning / afternoon. Is this the head office for **[firm name]** in this State ?

IF YES, continue. IF NO, obtain the telephone number for the State Head Office and write down below.

Tel. no: ____ / _____

Could I speak to the person in your firm who has most responsibility for decision-making concerning employee training?

If that person unavailable, arrange a time to call back.
If that person is located at a different workplace within the organisation, obtain the name and telephone number of person and insert below.

Name: _____ **Tel. no:** ____ / _____

My name is (.....) and I am from the National Institute of Labour Studies, a university-based research company in Adelaide. We are conducting a short telephone survey of employers as part of a research project funded by the Australian National Training Authority. The purposes of the survey are to identify employers' needs for professional advice about training, and to determine knowledge among employers of their relevant Industry Training Advisory Body.

Would you be prepared to give me a few minutes of your time to answer some questions about worker training within your business?

IF NO, thank them for listening. IF YES, proceed with interview.
IF YES, BUT NOT NOW, arrange a time for interview and note below.

Name of person: _____ **Time :** _____

Because we need data from firms of all sizes, we first must determine how large your firm is.

Q.1 Approximately how many persons are employed by this firm throughout Australia? **[Write number in box.]** ☐

If size quota full, thank the interviewee for his/her time and terminate interview. Otherwise, continue. **QUOTA** ☐

Q.2 What is your position in this firm? **[Circle one number.]**

General manager / owner / CEO	1
Training manager	2
Personnel / Human resources manager	3
Other [write down job description]	4

Q.3 Based on your listing in the Yellow Pages, we presume that your firm's main activity in this State is:

[Read out activity corresponding to number in box.] ☐

Is this a fair description of your firm's primary function? **Yes** ..... 1 **Go to Q4**
No 2

[IF NO] What then is your company's main activity? **[Write description in space below.]**

Q.4 In which year did this firm first commence operations in this State? **[If unsure, get approximate date.]** **19** ☐

Q.5 Are you aware that there is an advisory body in this State which was created to service the training needs of your industry? **Yes** 1
No ..... 2 **Go to Q6**

[IF YES] Do you know the name of this Industry Training Advisory Body, or ITAB? **Yes** 1
No ..... 2 **Go to Q6**

[IF YES] What is it? **[Write response in space below.]**

Q.6 In summary, are you aware of the presence of the:

[Read out name of first ITAB corresponding to letter in box. If answer is No, read out names of any *alternatives*.]

Yes	1	
No	2	**Go to Q15 (page 5)**

Put a tick in this box if the respondent only indicated they were aware of the ITAB once one of the *alternatives* was mentioned. ☐

From now on, I will refer to this body as an ITAB.

Q.7 How did you become aware of the operations of this ITAB?
[Tick the appropriate boxes. More than one response is possible.]

ITAB newsletter	☐
Direct approach by the ITAB	☐
Through an industry association	☐
Seminars / industry forums	☐
Other [write down description]	☐

Q.8 Do you have any knowledge of what the functions and objectives of this ITAB are?

Yes	1	
No	2	**Go to Q12 (next page)**

Q.9 **[IF YES]** In your opinion, which of the following are the main functions undertaken by this ITAB? **[Ring either Yes or No]**

Advising employers of available training options	**Yes**	**No**
Working with training providers like TAFE to improve training courses	**Yes**	**No**
Actually providing training	**Yes**	**No**
Advising government on industry training needs	**Yes**	**No**
Accrediting training courses and/or providers	**Yes**	**No**
Marketing government training initiatives to industry	**Yes**	**No**
Assisting firms to identify training needs	**Yes**	**No**
Selling training resources and materials	**Yes**	**No**
Promoting industry training	**Yes**	**No**

Q.10 Are there any OTHER important functions that this ITAB performs?

Yes 1
No ..... 2 **Go to Q11**

[IF YES] What are these functions?

Q.11 On balance, do you think this ITAB is doing what you think it SHOULD be doing?

Yes 1
No 2

Q.12 In order of importance, what do you believe are the three most important functions that your ITAB SHOULD perform?

(i) ---

(ii) ---

(iii) ---

Q.13 Has your firm benefitted in any way from the operation of the ITAB?

Yes 1
No ..... 2 **Go to Q14**

[IF YES]
In what ways has it benefitted?

Q.14 On balance, how would you assess the value of this ITAB to your industry? Would you say that the presence of the ITAB has been "very bad", "bad", "neither good nor bad", "good" or "very good"?

Very bad	1
Bad	2
Neither good nor bad	3
Good	4
Very good	5

Q.15 Apart from ITABs, does your firm use any agencies or organisations for information, advice and assistance concerning employee training?

Yes	1	
No	2	**Go to Q16**

[IF YES]
Which organisations do you use?

Q.16 In general, how much need has your organisation for professional advice concerning training-related matters? Would you say that there is "no need at all", "very little need", "some need", "a large need" or "a very large need"?

No need at all	1
Very little need	2
Some need	3
Large need	4
Very large need	5

Q.17 Please could you indicate on a 1 to 5 scale, the extent to which you think the following types of training initiatives are, or would be, helpful to your industry. A one means you think it is "very unhelpful", while a five indicates you think it is "very helpful". A three would indicate you think it neither helpful nor unhelpful. **[Read out each option. Ensure respondent uses the full range of the scale.]**

Nationally recognised competency standards	1	2	3	4	5	**Interviewer Notes**
Accreditation by industry of training courses and providers	1	2	3	4	5	**1=Very unhelpful** **2=Unhelpful**
Traineeships subsidised by government	1	2	3	4	5	**3=Neither helpful nor unhelpful**
Industry involvement in the design of TAFE courses	1	2	3	4	5	**4=Helpful** **5=Very helpful**

Finally, I would like to ask you some general questions about employee training by your organisation.

Q.18 In the last 12 months, has this organisation provided or organised any training activities for its employees in this State?

Yes ... 1
No .... 2 **Go to Q20**

[IF YES]
Have any of these activities involved a structured plan and format?

Yes ... 1
No .... 2 **Go to Q19**

[IF YES]
Have any of these structured activities involved the delivery of training by an external training provider?

Yes ... 1
No 2

Q.19 About what proportion of paid employees in your organisation (within this State) would have been involved in some form of organised training during the past year? **[Read out. Stop at first positive response.]**

Up to one quarter	1
Up to one half	2
Up to three quarters	3
Most of the staff	4
Absolutely everyone	5
Unable to answer	6
None at all	7

Q.20 Does your firm have any of the following? **[Read out each option. Ring either Yes or No. Leave blank if respondent unable to answer.]**

A manager who has full-time responsibility for training	Yes	No
A specialist training section or department	Yes	No
Workers who are employed full-time specifically to train or instruct other workers	Yes	No
A written training plan	Yes	No
Specialist training facilities (such as a training room)	Yes	No

Q.21 I am now going to pose a number of statements and I would like you to indicate on a 1 to 5 scale the extent to which you agree or disagree with them. A one indicates you "disagree strongly", while a five indicates you "agree strongly". A three would indicate you neither agree nor disagree. **[Read out each option. Ensure respondent uses the full range of the scale.]**

Most workers in this company can pick up job skills and become proficient with minimal amounts of training	1	2	3	4	5
Training does NOT provide any significant benefits given this company's needs	1	2	3	4	5
This company expects to have to continually update and train its people to meet operational needs	1	2	3	4	5
At this company, employee training is regarded as integral to long-run survival and profitability	1	2	3	4	5
People are more likely to leave if we train them	1	2	3	4	5
Most work undertaken here does not require much skill	1	2	3	4	5
This company only recruits experienced people	1	2	3	4	5
This firm cannot afford the time to spare people to train others	1	2	3	4	5

1=Disagree strongly; 2=Disagree; 3=Neither disagree nor agree; 4=Agree; 5=Strongly agree

END OF INTERVIEW: THANK THE RESPONDENT